

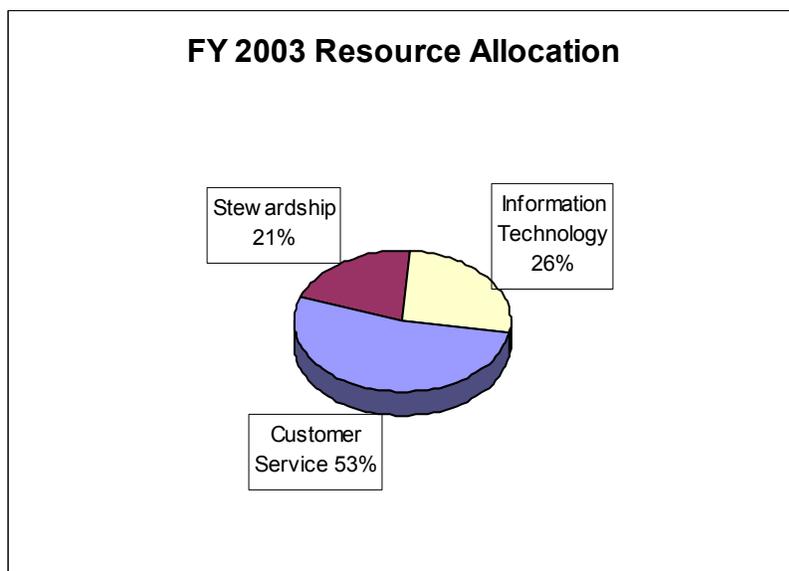
***PERFORMANCE SECTION –
GOVERNMENT PERFORMANCE AND RESULTS ACT (GPRA)
REPORT***

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Performance Section - Government Performance and Results Act (GPRA) Report

The following performance report is based on the major goals and objectives from the RRB's Strategic Plan for 2000 - 2005 and its Annual Performance Plan for Fiscal Year 2003. The indicators we developed support our mission and communicate our awareness and intentions for meeting challenges and seeking opportunities for greater efficiency, effectiveness and economy.

To achieve our performance goals, the RRB holds managers accountable for achieving program results and improving program effectiveness by focusing on results, service quality, and customer satisfaction. In addition, the performance plan is used to help managers improve service delivery by requiring that they plan for meeting program objectives and by providing them with information about program results and service quality. To provide reasonable assurance that the reported performance information is relevant and reliable, performance goals have been incorporated into performance standards for managers and supervisors, monitored on an agency-wide basis, and made subject to audit by the agency's Office of Inspector General.



Over the last several years, the RRB has implemented significant automation initiatives and other improvements. Because of these accomplishments, the RRB is able to operate with reduced resources and is continuing to streamline its operations with the assistance of information technology. We believe that continued investments in information technology and further management improvements will allow us to meet or exceed our customer service goals efficiently. As the above chart

shows, we devoted most of our budgetary resources to customer service and information technology.

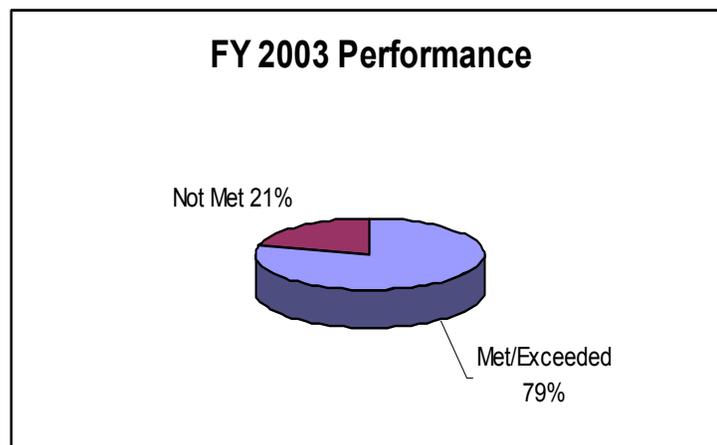
In fiscal year 2003, systems were revised to accept applications and calculate annuity payments for employees who have less than 10 years of railroad service but at least 5 years of service after 1995. The new category of entitlement was created by the RRSIA of 2001. In addition to internal agency system and procedure revisions, the implementation effort involved extensive coordination with the Social Security Administration. The RRSIA has also led to an increased field office workload. To illustrate, the new benefit eligibility rules provided by the legislation resulted in a 19.7 percent increase in applications filed during the period October through December 2002 compared to the same period in 2001 (from 7,991 to 9,568). Offices also received almost 9,700 RRSIA-related inquiries during the first quarter of the fiscal year. Increased inquiries were also evident in the second quarter of the fiscal year, in part due to the new cost-of-living rules for annuitants receiving widow's benefits, as well as the usual other cost-of-living and tax inquiries from the newly entitled beneficiaries.

Also in fiscal year 2003, the agency implemented section 606 of the Medicare, Medicaid, and State Children's Health Insurance Program (SCHIP) Benefits Improvement and Protection Act of 2000 (BIPA). Effective January 2003, section 606 allows Medicare+Choice plans to offer reduced Medicare Part B premiums to their enrollees. The agency revised processing systems and procedures to reduce the Medicare Part B premiums deducted from the railroad retirement payments made to beneficiaries enrolled in such plans. Work will be completed in fiscal year 2004 to further automate various processes involved in making the premium reductions.

The RRB earned a score of 75 on an American Customer Satisfaction Index (ACSI) survey, issued in fiscal year 2003, of RRB unemployment and sickness insurance beneficiaries, which is 4.8 points higher than the current national ACSI of 70 for the Federal government, and 3.2 points higher than the comparable private sector average. The ACSI survey focused on the RRB's core constituency of railroad workers who have recently received unemployment or sickness insurance benefits from the agency. The survey found the RRB scoring highest (88) in the area of customer service, with respondents particularly praising the courtesy and professionalism of agency employees (each scoring 92).

In fiscal year 2003, we met or exceeded planned performance levels for 45 (79 percent) out of 57 reportable indicators (those for which data is currently available). The following table is a consolidated presentation of our actual performance in fiscal years 2000 through 2003. Following the table is a discussion of the unmet fiscal year 2003 performance goals and indicators.

This performance report was prepared by RRB employees.



RAILROAD RETIREMENT BOARD FY 2003 ANNUAL PERFORMANCE REPORT	2000 Actual (At \$90.7m)	2001 Actual (At \$94.9m)	2002 Actual (At \$97.6m)	2003 Projected (At \$99.35m)	2003 Actual (At \$99.35m)	
Strategic Goal I: Provide Excellent Customer Service						
Performance Goal I-A: Pay benefits accurately.						
1. Achieve a railroad retirement benefit payment accuracy rate* of at least 99%. (Measure: % accuracy rate)	Initial recurring payments:	99.87	99.89	99.97% (Final rate)	99.50%	Data available in March 2004.
	Sample post recurring payments:	99.9	99.98	99.94% (Final rate)	99.50%	Data available in March 2004.
2. Achieve a railroad unemployment/sickness insurance benefit payment accuracy rate* of at least 99%. (Measure: % accuracy rate)	Unemployment:	99.08	99.34	99.12%	98.00%	99.6% through 3 rd quarter. Complete data in January 2004.
	Sickness:	100.0	99.76	99.94%	98.00%	100% through 3 rd quarter. Complete data in January 2004.
3. Conduct a study to determine the causes of erroneous RRA payments. Based on the results of this study, develop an action plan to eliminate or minimize these causes by improving work processes and procedures, revising systems and providing refresher training. Part of the focus of this plan will be to reduce the number of overpayments caused by agency error. (Measure: Complete study and action plan, implement recommendations)	New indicator	New indicator	Deferred	Deferred	Deferred	
4. Achieve a railroad retirement case accuracy rate* of at least 94%. (Measure: % of case accuracy)	Initial cases:	New indicator	New indicator	94.7%	90.0%	Data available in March 2004.
	Post cases:			98.2%	90.0%	Data available in March 2004.

Note: The dollar amounts shown are funds appropriated for the respective fiscal year.

RAILROAD RETIREMENT BOARD FY 2003 ANNUAL PERFORMANCE REPORT	2000 Actual (At \$90.7m)	2001 Actual (At \$94.9m)	2002 Actual (At \$97.6m)	2003 Projected (At \$99.35m)	2003 Actual (At \$99.35m)
5. Achieve a railroad unemployment/sickness insurance case accuracy rate* of at least 97%. Unemployment: Sickness: (Measure: % of case accuracy)	New indicator	New indicator	98.1%	90.0%	99.67% through 3 rd quarter. Complete data in January 2004.
	New indicator	New indicator	99.5%	90.0%	100% through 3 rd quarter. Complete data in January 2004.
Performance Goal I-B: Pay benefits timely.					
1. Railroad retirement employee or spouse receives initial annuity payment, or a decision, within 35 days of annuity beginning date, if advanced filed. (Measure: % ≤ 30 processing days**)	95.8	95.6	94.7%	92.5%	95.1%
2. Railroad retirement employee or spouse receives initial annuity payment, or notice of denial, within 65 days of the date the application was filed, if not advanced filed. (Measure: % ≤ 60 processing days**)	94.7	95.2	96.0%	93.0%	96.7%
3. Survivor annuitant not already receiving a benefit receives initial payment, a decision, or notice of transfer to SSA within 65 days of the annuity beginning date, or date filed (whichever is later). (Measure: % ≤ 60 processing days**)	78.3	80.9	81.4%	75.0%	86.0%
4. Survivor annuitant receiving benefits as spouse receives payment as survivor, notice of denial, or notice of application transfer to SSA, within 35 days of RRB receipt of the notice of employee's death. (Measure: % ≤ 30 processing days**)	93.8	91.1	91.3%	89.0%	91.8%
5. Applicant for any railroad retirement death benefit receives payment, or notice of denial, within 65 days of date filed. (Measure: % ≤ 60 processing days**)	93.7	93.7	96.0%	90.0%	95.2%

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6. Unemployed railroad worker receives UI claim form, or notice of denial, within 15 days of the date application filed. (Measure: % ≤ 10 processing days**)	98.8	99.7	98.7%	95.0%	100%
7. Railroad employee unable to work due to temporary illness or injury receives SI claim form, or notice of denial, within 15 days of the date application filed. (Measure: % ≤ 10 processing days**)	99.3	99.5	99.3%	95.0%	99.3%
8. Railroad employee, unemployed or unable to work due to temporary illness or injury, receives a payment for unemployment or sickness insurance benefits, or a decision, within 15 days of claim receipt. (Measure: % ≤ 10 processing days**)	99.7	99.7	99.7%	95.0%	99.7%
9. Disabled applicant or family member receives notice of decision to pay or deny within 105 days of the date application for disability is filed. (Measure: % ≤ 100 processing days**)	63.6	56.5	53.7%	55.0%	56.3%
10. Disabled applicant receives payment within 25 days of decision or earliest payment date (whichever is later). (Measure: % ≤ 20 processing days**)	94.1	94.1	94.2%	90.0%	94.1%
11. Maintain an end-of-year normal carry-forward balance in 8 targeted workload categories. (Measure: number on hand at end of year)	3,966	4,915	5,147	11,000	3,934
12. Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. [We will reduce the average elapsed days to 150 by the end of fiscal year 2003.] (Measure: average elapsed days)	171	189	200	180	181

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Performance Goal I-C: Provide relevant, timely, and accurate information which is easy to understand.					
1. Inquirer receives answer or acknowledgment of written correspondence within 15 days of receipt. (Measure: % ≤ 10 processing days**)	97.6	99.0	98.9%	96.0%	99.3%
2. Achieve quality and accuracy of correspondence, publications, and voice communications. (Measure: surveys and reviews; include questions on the quality and accuracy of written and voice communications)	A special study of initial award letters is underway.	Completed study of initial award letters	Draft report completed in FY 2002, as scheduled.	Deferred	Deferred
3. Maintain the combined balance of unprocessed record corrections and cases requiring review for corrected tax statements below the end-of-year normal working level (1,200 items). (Measure: number on hand at end of year)	145	517	432	1,200	93
Performance Goal I-D: Provide a range of choices in service delivery methods.					
1. Offer service for the retirement program by telephone, interactive voice response (IVR), mail, personal computer and in person via field offices and itinerant service. (Measure: # of choices)	5 choices	5 choices	5 choices	5 choices	7 choices (including e-mail, internet services, and fax)
2. Offer service for the unemployment/sickness program by telephone, IVR, mail, personal computer and in person via field offices and itinerant service. (Measure: # of choices)	5 choices	5 choices	5 choices	5 choices	7 choices (including e-mail, internet services, and fax)
3. Obtain customer feedback. (Measure: surveys & reviews)	Developed a proposal to conduct a customer satisfaction survey.	Administered a customer satisfaction survey.	Survey conducted in October 2002.	Deferred	Deferred

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Performance Goal I-E: Ensure an efficient and effective reporting system for covered employers.					
1. Covered employer reports filed on time. (Measure: % of reports filed on time)	New indicator	New indicator (Actual 47%)	43.5%	50.0%	51%
2. Covered employer reports filed accurately. (Measure: % of reports filed without problems)	New indicator	New indicator	91.1%	85.0%	91%
3. Covered employer annual reports of employees filed electronically, or on magnetic media. (Measure: % filed electronically, or on magnetic media)	97.7% (of employees)	97.45% (of employees)	98.2% (of employees)	96.0% (of employees)	97% (of employees)
4. Enable employers to use the Internet to conduct business with the RRB, in support of the Government Paperwork Elimination Act. (Measure: % of employers with Internet access who use the new on-line reporting processing. An additional measure for fiscal year 2004 will be the number of Internet services available.)	New indicator	New indicator	New indicator	We will conduct a survey of employers to determine the number that have Internet access.	Deferred
5. Assess controls for ensuring that employers are submitting complete and accurate information. (Measure: Yes/No)	New indicator	New indicator	New indicator	Deferred	Yes, assessment is ongoing.
Performance Goal I-F: Deliver service at the point-of-contact ("one and done").					
1. Complete actual measurement of services provided at the point of contact. Develop action plans as needed to reduce the number of handoffs. (Measure: Date report completed)	Completed study of the field service.	Developed an action plan based on the FY 2000 study.	Deferred	Deferred	Deferred

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Strategic Goal II: Safeguard Our Customers' Trust Funds Through Prudent Stewardship					
Performance Goal II-A: Ensure the integrity of benefit programs through comprehensive and integrated monitoring and prevention programs.					
1. Maintain active wage matches with all 50 States to ensure the accuracy of benefit payments. (Measure: # of States matching)	50 States, plus Puerto Rico & Washington, DC	50 States, plus Puerto Rico & Washington, DC	50 States, plus Puerto Rico & Washington, DC	50 States, plus Puerto Rico & Washington, DC	50 States, plus Puerto Rico & Washington, DC
2. Achieve a return of at least \$3.60 for each dollar spent on program integrity activities. (Measure: \$ recoveries & savings per \$ spent)	\$4.16 : \$1	\$5.47 : \$1	\$5.48 : \$1	\$3.80 : \$1	\$5.68 : \$1
3. Perform continuing disability reviews (medical and earnings beginning 2002). (Measure: # performed)	4,148	988	1,863	2,000	2,182
Performance Goal II-B: Ensure efficient operations through effective management control and quality assurance programs.					
1. Take prompt action to correct any material weaknesses. (Measure: % of action plan milestones accomplished)	New indicator	100%	100%	100%	67%
2. Submit to the President and Congress the Federal Managers' Financial Integrity Act Report by December 31 st each year. (Measure: date report submitted)	12/27/99	12/18/00	12/21/01	12/27/02	12/20/02
3. Resolve audit findings promptly. (Measure: # of audit recommendations to put funds to better use that are not resolved within 6 months of report)	0 recommendations				
4. Take prompt corrective action on audit recommendations. (Measure: % of audit recommendations implemented by target date)	87.8%	91.7%	94.4%	80%	94.1%

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5. Develop and establish a Customer Quality Assurance Plan that promises excellent service to our customers and gives agency employees the opportunity to show their commitment to our customers. (Measure: Establish plan)	New indicator	New indicator	Plan established.	Deferred	Deferred
Performance Goal II-C: Ensure that trust fund assets are projected, collected, and recorded through an effective and efficient trust fund management program.					
1. Implement the provisions of the Railroad Retirement and Survivors' Improvement Act of 2001 requiring the transfer of railroad retirement trust funds from the railroad retirement accounts to the new National Railroad Retirement Investment Trust. (Measure: funds transferred within 30 days of request)	New indicator	New indicator	All funds (\$1.502 billion) were transferred within 30 days of request.	Transfer funds within 30 days of request by the National RR Investment Trust.	All funds (\$19.188 billion) were transferred within 30 days of request.
2. Debts will be collected through billing, offset, reclamation, referral to outside collection programs and a variety of other collection efforts. (Measure: % of funds collected to total debts outstanding -- beginning balance plus new debts established. Excludes write-offs.)	New indicator	53%	64%	45%	66%
3. Complete compensation reconciliations at least 1 year before the statute of limitations expires. (Compensation reconciliations involve a comparison of compensation reported by covered employers to the RRB for benefit calculation purposes with compensation reported to the IRS for tax purposes.) (Measure: % completed)	100% of the 1997 reconciliations by 02/28/2000	100% of the 1998 reconciliations by 02/26/2001	100% of the 1999 reconciliations by 02/15/02	75% of the 2000 reconciliations by 02/28/2003	100% of the 2000 reconciliations by 02/18/03

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4. Perform monthly reasonableness tests comparing railroad retirement taxes deposited electronically, which represent over 99 percent of all railroad retirement taxes, against tax receipts transferred to the RRB trust funds by the Department of the Treasury (Treasury) to provide reasonable assurance the RRB trust funds are receiving appropriate tax funds. (Measure: Reasonableness test performed and anomalies reconciled with Treasury (Yes/No))	New indicator	New indicator	New indicator	Yes	Yes
Performance Goal II-D: Align our resources using a performance approach based on contribution to mission.					
1. Implement a methodology to determine unit costs of key production workloads. [One workload a year for 5 years (such as initial employee retirement application processing and disability application processing).] (Measure: # of key workloads with unit cost information)	Deferred	Deferred	A methodology for disability processing has been developed.	Deferred	2 key workloads (unemployment and sickness benefit processing)
2. Set specific goals for unit costs of key workloads for years subsequent to implementation of new methodology. [One workload a year for 5 years.] (Measure: # of unit cost goals)	Deferred	Deferred	Deferred	Deferred	Deferred
3. Achieve the target ratio of total administrative expenses to benefit outlays. (Measure: ratio of expenses to outlays)	\$1.02 : \$100	\$1 : \$100	\$1.06 : \$100	Approx. \$1 : \$100	\$1.04 : \$100
4. Conduct an analysis of the agency's organizational structure to identify opportunities to reduce managerial/supervisory positions/layers and strengthen front-line positions (Measure: Yes/No)	New indicator	New indicator	Analysis completed on 03/29/02.	Implement Board-approved recommendations. Reexamine structure in light of changes made or new opportunities.	No Yes

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Performance Goal II-E: Use outside sources and partnerships, when appropriate, to accomplish our mission.					
1. Partner with other government agencies or outside organizations to achieve our mission. (Measure: # of partnerships)	67	71	72	69	69
2. Perform a detailed study of the agency's activities to ensure an accurate inventory of commercial activities. (Measure: Conduct study)	New indicator	New indicator	A detailed study of the agency's activities was performed by 3/31/02.	FY 2002 goal	FY 2002 goal
3. Assemble and publicize an annual inventory of RRB commercial activities on the RRB Website. (Measure: Yes/No)	New indicator	New indicator	The annual inventory has been assembled and approved by the Board. OMB had not yet authorized publication (09/30/02).	Yes	Yes
4. Complete public-private or direct conversion competitions on not less than 5% of the FTE's listed on the Federal Activities Inventory Reform (FAIR) Act inventory. (Measure: % of the FTE's listed on the FAIR Act inventory for which competitions completed)	New indicator	New indicator	5%	15% (cumulative)	5% (cumulative)
Performance Goal II-F: Ensure that the RRB consistently pays the lowest price for products and services commensurate with quality, service, delivery and reliability.					
1. The percentage of fiscal year dollars competitively obligated via simplified acquisition and contract procedures shall exceed the Government percent of procurement dollars awarded competitively as reported in the Federal Procurement Data System Reporting Manual, Federal Procurement Data Center. (Measure: % of funds awarded)	Govt.: 62.4%	74%	Not available	Will exceed Government percentage	Not available
	RRB: 92%	93%	90%		93.4%
2. Purchase orders are filled by or before delivery date. (Measure: % meeting objective)	New indicator	85.5%	85%	86%	88%

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3. All solicitations include past performance as an evaluation factor. Each contract file will exhibit a formal determination and finding of contractor responsibility. (Measure: % meeting requirement)	100%	100%	100%	100%	100%
4. Award contracts over \$25,000 using performance-based service contracting (PBSC) techniques for not less than 20% of the total eligible service contracting dollars. (Measure: % of contracting dollars for contracts over \$25,000 using PBSC)	New indicator	New indicator	35.5%	20%	37%
5. Post (a) all synopses for acquisitions valued at over \$25,000 for which widespread notice is required and (b) all associated solicitations unless covered by an exemption in the Federal Acquisition Regulation on the government-wide point-of-entry website (www.FedBizOpps.gov). (Measure: Yes/No)	New indicator	New indicator	Yes	Yes	Yes
Performance Goal II-G: Use, build and maintain a professional, productive, innovative and diverse workforce.					
1. Individual performance appraisal plans for all employees contain elements that link to the agency's mission. (Measure: Yes/No)	New indicator	New indicator	New indicator	Yes	Yes
2. Solicit employee feedback on work environment to determine if it is discrimination-free and supports cooperation, empowerment, and mutual commitment. (Measure: employee survey)	None	None	Planning initiated.	Deferred	Deferred

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3. Create and implement a succession planning program. (Measure: Yes/No)	New indicator	New indicator	Created retirement trend analysis and proposed refocusing succession plan to lower-graded employees.	<p>Create a skills assessment file for selected employees at the GS-13 level; update skills files for GS-14 and GS-15 level employees.</p> <p>Training for employees with an identified skills gap will be deferred until FY 2004 (or later), depending on the availability of training funds.</p> <p>Assistance will be given to agency supervisors to create a skills assessment for the GS-13, 14 and 15 employees under their supervision.</p>	<p>Yes, for selected employees.</p> <p>Some training tailored to specific skill gaps has been completed.</p> <p>No</p>
Strategic Goal III: Use Technology and Automation to Foster Fundamental Changes That Improve the Way We Do Business					
Performance Goal III-A: Develop a sound and integrated information technology architecture that will foster our long-term efforts to improve mission performance while operating with fewer resources.					
1. Establish processes to support and enforce the information technology architecture to ensure that it is uniformly followed throughout the agency, by 09/30/02. (Measure: Yes/No)	New indicator	New indicator	Yes	FY 2002 goal	FY 2002 goal
2. Establish processes by March 31, 2002, to use the information technology architecture as a standard for evaluating and prioritizing all major automation initiatives and investments. (Measure: Yes/No)	New indicator	New indicator	Yes	FY 2002 goal	FY 2002 goal

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3. Ensure, by September 30, 2002, that the information technology architecture is closely linked to our long-range Strategic Information Resources Management (IRM) Plan, Information Technology (IT) Capital Plan, and budget submissions. (Measure: Yes/No)	New indicator	New indicator	Yes	FY 2002 goal	FY 2002 goal
Performance Goal III-B: Design and implement information technology initiatives that fundamentally improve our efficiency and effectiveness in achieving the agency's mission.					
1. Design and implement specific automation initiatives, as outlined in the Strategic IRM Plan and agreed to by the IT Steering Committee. (Measure: Yes/No)	New indicator	See below	See below	See below	See below
Complete Phase 4 of the APPLication Express (APPLE, a system which allows applications for retirement and survivor benefits to be taken online) project by 09/30/02. (New target completion date 07/31/03.)			Deferred	Deferred	Deferred – New request was submitted with a re-estimate of hours. New target date set for 12/31/04 however, this is dependent on staffing.
Complete next phases in the RRA Transaction Systems by 09/30/02 as follows: --Nationwide implementation of three Internet transactions piloted in FY 2001 - Compensation and Service Record Request Online - Retirement Planner Online - Application for Employee/Spouse Annuity Online			Deferred Deferred Deferred	Yes Yes Deferred	Yes No Deferred due to resources committed to higher priority projects.

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<p>Complete next phases in the RRA Transaction Systems by 09/30/03 as follows:</p> <ul style="list-style-type: none"> -- Pilot five additional Internet transactions: <ul style="list-style-type: none"> - Applications for Survivor Benefits Online - Beneficiary Profile Online - Status of Claim Online - Beneficiary File View - Appeal Attorney View -- Employer Internet Initiative 			Deferred until FY 2003	Deferred Deferred Deferred Canceled Canceled Meet milestones in action plan	Deferred. Resources deployed to other higher priority jobs. New target date FY05. Deferred. Resources deployed to other higher priority jobs. New target date FY05. Deferred. Resources deployed to other higher priority jobs. New target date FY05. Canceled Canceled Target completion date 12/31/03
Implement Phase 1 of SPEED (post-adjudication work deductions) as one of the Customer/Event Initiated Transaction Systems by 06/30/02. Project completion may be delayed until 07/31/03.)			Deferred until FY 2003	Yes	No. Currently under review for new cost estimate, time and target date.
Complete post-adjudication processes in the Document Imaging and Workflow System by 09/30/02. (Project completion may be delayed until 07/30/03.)			Deferred until FY 2003	Yes (10/31/02)	No. Upgrade to new imaging system was completed 08/23/2003 Work flow portion for desktop delayed, new completion date 03/2004.

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<p>Design and implement the following specific automation initiatives by 9/30/03:</p> <p>Complete implementation of the new version of TESSERACT, the agency's personnel/payroll system.</p> <p>Complete next phases of RRA Transaction Systems and Customer Event-Initiated Transaction System by piloting transaction entry and automated processing for changes of address and direct deposit.</p> <p>Complete requirements and design for the RUIA Transaction Systems.</p> <p>Add the capability for applicants to trace the status of a benefit application over the Internet.</p> <p>As a prelude to completion of real-time calculations, automate the last determinations and calculations that require manual input to the SEARCH system which provides the information on which annuities are based: military service creditability, vested dual benefit entitlement determination, primary insurance amount computations, etc.</p> <p>Complete the requirements for peripheral internal organizations to interface with the imaging system.</p>				<p>Yes</p> <p>Deferred</p> <p>Deferred</p> <p>Deferred</p> <p>Deferred</p> <p>Deferred</p>	<p>No. New target is 11/28/03 due to resources, scheduling.</p> <p>Deferred due to resources committed to other high priority projects. New target date FY04.</p> <p>Deferred. Tentative completion date FY05.</p> <p>Deferred due to resources</p> <p>Deferred to FY04.</p> <p>Yes. Web connector used, project was completed 01/2003.</p>

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Complete Medicare legislation section 606, per Benefits Improvement and Protection Act of 2002 (BIPA)				New	Project to be done in 3 phases. 1 st phase completed in 2/2003. 2 nd phase projected completion date 10/2003. 3 rd phase projected completion to be 12/2003.
Performance Goal III-C: Ensure effective and efficient management of information technology resources.					
1. Successfully implement major projects as specified in project plans, project definition and requirements documents. (Measure: % completed and signed off on by due date within 10% of the estimated time frames)	100%	100%	100%	100%	100%
2. Provide accurate cost estimates for major projects. (Measure: total estimated costs ÷ total actual costs)	- 11%	+ 1.6%	- 28%	+/- 10% of cost estimate	1%
3. Information technology services will meet the service levels as specified in user service agreements and/or published customer service standards. [Exceptions would include, for example, incidents of system down times, unsuccessful batch operations, or other public situations. In fiscal year 2002, we expanded this performance goal to cover all information technology services, not just computer operations.] (Measure: exception reports)	12 (computer operation exception reports only)	7 (computer operation exception reports only)	8	No more than 15	4

* Payment Accuracy Rate – the percentage of **dollars** paid correctly as a result of adjudication actions performed.
Case Accuracy Rate – the percentage of **cases** that do not contain a material payment error. Case accuracy rates reflect only those errors that are detected as a result of reviewing award actions performed during the fiscal year being studied. (A material error is (1) an incorrect payment of \$5.00 or more at the point the error is identified, (2) an incorrect payment of less than \$5.00 totaling 1 percent or more of the monthly rate, or (3) any situation in which a non-entitled benefit is paid.)

** Allows 5 days for mail delivery.

Discussion of Unmet Performance Goals and Indicators for Fiscal Year 2003

<p>Performance Indicator I-B.12 Reduce the number of days elapsed between the date the appeal is filed and a decision is rendered. [We will reduce the average elapsed days to 150 by the end of fiscal year 2003.] (Measure: average elapsed days)</p>	<p>The goal for this indicator, based on our FY 2003 appropriation, was to achieve an average appeal processing time of 180 days. We narrowly missed this goal, achieving an average processing time of 181 days.</p>
<p>Performance Indicator I-E.4 Enable employers to use the Internet to conduct business with the RRB, in support of the Government Paperwork Elimination Act. (Measure: % of employers with Internet access who use the new on-line reporting process. An additional measure for fiscal year 2004 will be the number of Internet services available.)</p>	<p>We had planned to conduct a survey of employers to determine the number that have Internet access. However, we deferred the survey until FY 2004 because forms are being made available to employers later than expected.</p>
<p>Performance Indicator II-B.1 Take prompt action to correct any material weaknesses. (Measure: % of action plan milestones accomplished)</p>	<p>We planned to complete 100% of the action plan milestones on time. Four of six (67%) of the FY 2003 action plan milestones were accomplished and two carried into FY 2004 to accommodate other work priorities. We will complete the remaining action plan tasks and expect to report elimination of the material weakness in our 2004 Performance and Accountability Report as originally scheduled.</p>
<p>Performance Indicator II-D.4 Conduct an analysis of the agency's organizational structure to identify opportunities to reduce managerial/supervisory positions/layers and strengthen front-line positions (Measure: Yes/No)</p>	<p>In FY 2003, we had planned to implement the Board-approved recommendations resulting from our analysis. However, some of the recommendations were targeted to be completed in future years.</p>
<p>Performance Indicator II-E.4 Complete public-private or direct conversion competitions on not less than 5% of the FTE's listed on the Federal Activities Inventory Reform (FAIR) Act inventory. (Measure: % of the FTE's listed on the FAIR Act inventory for which competitions completed)</p>	<p>Work on this goal was deferred due to release of the revised Circular A-76 and the training necessary before implementation. In FY 2004, we plan to meet the target level established by OMB.</p>

<p>Performance Indicator II-G.3 Create and implement a succession planning program. (Measure: Yes/No)</p>	<p>During FY 2003, we shifted the focus and broadened development efforts, so that we have several initiatives in place. We contracted for a comprehensive agencywide training needs assessment of managers' non-technical and developmental needs.</p> <p>In the Office of Programs, almost half of the training budget was dedicated to managerial and leadership training for those in grades ranging from GS-12 to the SES. In addition, in one area, we identified the core competencies, assessed skills gaps, and began providing training to 43 people in our GS-11 and 12 business analyst positions, which are mission-critical. We also began identifying core competencies for several other critical positions, with the intent of assessing employees' skills and creating training programs in the future.</p> <p>The Bureau of Information Services has addressed the issue by assessing needs and establishing individual development plans. Two employees have been enrolled in the CIO University program established by the Federal CIO Council. Another employee was enrolled, and has completed, the Excellence in Government Fellowship Program for E-Government. Technical schools in the Chicago area have also been contacted concerning future recruitment opportunities.</p> <p>In the financial area, key accounting and financial activities were identified and primary and backup responsibilities were assigned to specific staff. Surveys were then conducted to assess competency levels. Based on survey results, training and mentoring were provided as needed by senior staff. Followup surveys were conducted to help ensure that staff had the necessary knowledge and experience to perform each critical activity.</p> <p>In addition, a succession review was conducted for key managerial positions involving procurement, facility management and support services. Critical managerial capabilities and necessary specialized skills were identified for each key position. An</p>
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	<p>assessment was made as to how vacancies in such positions could be filled and the time needed for a new hire to reach full performance levels.</p> <p>Thus, while not specifically achieving the goals originally articulated in this area, the agency has made progress, and will continue to do so.</p>
<p>Performance Indicator III-B.1 Complete Nationwide implementation of Retirement Planner Online. (Measure: Yes/No)</p>	<p>All programming for this project has been completed. The implementation of the project was delayed due to connectivity problems between AT&T and our mainframe. The connectivity issues were resolved on 10/21/03.</p> <p>We have set the following schedule to complete action on this initiative:</p> <ul style="list-style-type: none"> • migrate our existing web site and application to AT&T in November 2003; • install, test and place the application in production in December 2003.
<p>Performance Indicator III-B.1 Complete Employer Internet Initiative. (Measure: Yes/No)</p>	<p>The project is being performed by an outside contractor. It was delayed due the need to address security concerns and OMB approval for the use of Internet forms. Those issues were successfully addressed and the contractor support began on 09/29/03.</p> <p>The contractor has been issued a project plan and our goal is to complete the stated milestones by December 2003.</p>
<p>Performance Indicator III-B.1 Implement Phase I of SPEED (post-adjudication work deductions) as one of the Customer/Event Initiated Transaction Systems. (Measure: Yes/No)</p>	<p>The performance goal for FY 2003 was not met due to significant changes to both personnel resources assigned to work on the project as well as software requirements to support the system's online screens.</p> <p>We expect to complete Phase I by September 2004.</p>

<p>Performance Indicator III-B.1 Complete post-adjudication processes in the Document Imaging and Workflow System. (Measure: Yes/No)</p>	<p>Upgrade to new imaging system was completed 8/23/03. The workdesk, which is a sub-part of the product Workflow, was delayed until March 2004 at the user's request. The reasons for the delay were efforts were redirected to implementing cost-of-living activities, and personnel resource schedules.</p> <p>The schedule to implement this initiative is to:</p> <ul style="list-style-type: none"> • perform user test in February 2004; • install the workdesk functionality onto all desktops in February and March 2004.
<p>Performance Indicator III-B.1 Complete implementation of the new version of TESSERACT, the agency's personnel/payroll system. (Measure: Yes/No)</p>	<p>This project encountered resource problems. Personnel resources were diverted to mandatory projects with short deadlines such as, Flexible Spending Account, Thrift Savings Plan catch-up, Retroactive Pay and Employee Express, e-Payroll and e-Travel.</p> <p>The schedule to implement this initiative is to:</p> <ul style="list-style-type: none"> • meet with GSA regarding the e-Payroll initiative on October 28 and 29, 2003; • convert our current payroll system to DB2 and complete the project by November 28, 2003.
<p>Performance Indicator III-B.1 Complete Medicare legislation section 606, per Benefits Improvement and Protection Act of 2002 (BIPA) . (Measure: Yes/No)</p>	<p>Initially three phases of this project were scheduled to be completed in FY 2003. Phase I was completed. However, it was determined that the requirements identified for phases II and III were more complex and continued to change which resulted in the delay.</p> <p>We expect to complete these phases in April 2004.</p>

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